

BUDGET LETTER

NUMBER:	96-15
SUBJECT: PROCESSING INITIAL SCHEDULE 10Rs	DATE ISSUED: SEPTEMBER 11, 1996
REFERENCES:	SUPERSEDES: BL 95-14

TO: Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

NOTE: DEPARTMENTAL BUDGET OFFICERS WILL RECEIVE, IN A SEPARATE MAILING, AN ADDITIONAL COPY OF THIS TRANSMITTAL LETTER WITH THEIR SCHEDULE 10RS ATTACHED. A 10R WILL NOT BE ATTACHED FOR OTHER RECIPIENTS OF THIS BUDGET LETTER.

Attached (see note above) are Schedule 10Rs (Supplemental Schedule of Revenues and Transfers) for departments with General Fund and Special Fund revenues as discussed below.

A. Computer-Generated Schedule 10Rs are Being Provided to Departments to Report Revenue and Transfer Data

The Schedule 10Rs provide an automated method of accumulating revenue and transfer data and generating the Summary Schedule 8 included in the Governor's Budget. At the completion of the process, the data in the Schedule 10Rs system must be the same as reported on the budget galley.

Please return a copy of the attached Schedule 10Rs to your Department of Finance (DOF) budget analyst by **September 27, 1996**, with amounts for past, current, and budget years consistent with the baseline galley.

We will be requesting interim updates of the Schedule 10Rs independent of the processing of budgets. These updates are needed to assess the status of current and budget year revenues as well as to review appropriations relative to the State Appropriations Limit and Proposition 98. In addition to the interim updates, please include an updated Schedule 10R with each budget galley submission when there are changes to revenue and transfer data.

B. Instructions Applicable to All Three Years

1. The data on the Schedule 10Rs for General Fund and Special Fund revenues and transfers must be consistent with the departmental reporting in the year-end financial statements. Special Fund 10Rs must agree with the fund condition statements presented in the Governor's Budget; revisions to the format for these statements must be cleared with your DOF budget analyst and Financial Operations.

Do not post the revenue section of the Schedule 10Rs for Nongovernmental Cost Funds unless there are: (1) transfers to the General Fund or Special Funds or (2) loans to/from the General Fund or Special Funds.

2. Round all revenue amounts in the 1997-98 Governor's Budget and Schedule 10Rs to thousands.
3. Treatment of loans between state funds will be the same as in past Governor's Budgets. The principal portion of short term loans, that are made and repaid within a fiscal year, will not be reported on Schedule 10Rs. However, the principal portion of loans that overlap fiscal years should be reported on Schedule 10Rs in the transfer section. As with transfers, the authority for the loan must be cited on the Schedule 10R for both the fund providing the loan and the fund receiving the loan. DOF analysts must coordinate with other appropriate analysts if transfers affect funds in other budgets. Interest revenue attributable to loans is classified in the Uniform Codes Manual (UCM) as Interest Income from Interfund Loans, revenue code No. 1505. Interest expense on loans is an expenditure classified in the UCM as interest, object code 441602. It should not be reported on a 10R, but rather included in planning estimates, Schedule 10s, and other relevant expenditure recording systems.
4. We have pre-posted data for the past and current years based upon the latest information that was in the DOF computer files when the 1996-97 Budget was enacted.

C. Instructions Applicable to Past Year (1995-96)

Post year-end data from departmental records onto the Schedule 10R. The revenue data, excluding transfers and loans, should agree with the Final Statement of Revenue, Year-End Statement No 4.

DOF, Financial Operations Unit, will reconcile past year revenue data from the State Controller's Office with revenue data submitted to DOF on Schedule 10Rs. You may be asked to submit a revised 10R if adjustments are necessary to reconcile.

D. Instructions Applicable to Current Year (1996-97) and Budget Year (1997-98)

Record the current and budget year data based on the data to be submitted in the baseline budget galley.

Please submit one copy of your current Schedule 10Rs to your DOF budget analyst by September 27, 1996, for this update. If your initial baseline budget is due to DOF before September 27, please submit one additional copy of the completed Schedule 10Rs to DOF with the budget. Upon receipt of the Schedule 10Rs, data will be input into the automated system. DOF budget analysts may request updated Schedule 10Rs from Financial Operations Unit if subsequent revisions are necessary.

Please call Lajunta Inman, Financial Operations, at (916) 322-5540 or your DOF budget analyst if you have any questions regarding Schedule 10Rs.



Carl Rogers
Program Budget Manager

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Upcoming Budget Letters

None Scheduled

